



ІННОВАЦІЙНИЙ  
УНІВЕРСИТЕТ



# MAJESTY OF MARKETING

Conference for the students  
and junior research staff

10<sup>th</sup> of December 2020

Dnipro

Ministry of Education and Science of Ukraine

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***Majesty of Marketing***

*Materials of the International conference  
for the students and junior research staff*

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Responsible for publication:

Head of the Department of Marketing  
S. Kasian

**Chmil H.L.**

PhD in Economics, Associate Professor, Associate Professor of the Department of  
Marketing and Commercial Activities  
Kharkiv State University of Food Technology and Trade

## **DIGITALIZATION AS A BEHAVIOUR TRANSFORMATION TOOL OF CONSUMER MARKET ECONOMIC ENTITIES**

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Digital technologies, as a society technological sphere component, are the leading driver of new technological, economic and social reality creating. Therefore, behavior transformation study of consumer market economic entities in the context of digitalization is extremely topical problem.

Today, the digital economy in the world is estimated at three trillion dollars. Although it hasn't become global, 9 companies on the base of this economy generate 90% of their revenue and profits – Apple, Google, Facebook and also Amazon (they are known as «four horsemen»), Microsoft and four Chinese digital giants (Baidu, Alibaba, JD.com and Tencent). All others (for example, Yahoo, Twitter, eBay, Snapchat, Pinterest, Uber or others) barely exceed 10% of this economy [1]. As we can see, the companies with the largest world capitalization have moved to the digital economy long ago, which has led to their efficiency significant increasing.

Ukraine's economy digitalization is international trend natural continuation of the digital technology spreading and sharp increasing of their effect on all society aspects. The national economy digitalization level differs significantly, depending on certain industry according to the study of our country readiness to implementation and use digital technologies and Ukrainian digital economy main determinants [2]. In such areas as financial services, communication services, logistics, Ukrainian companies use information technology achievements as widely as foreign competitors. However, in a number of industries (mining, for example), the digital technology intensity (as well as everything related to them – automation, robotization, etc.) is extremely low, which significantly hinders the growth of their productivity.

A number of internal and external factors are obstacles to Ukrainian economy digital information. The main external factors, according to Razumkov Center experts [1, p. 127], are: shortage of digital solutions which take into account company's business specifics; information infrastructure underdeveloped; lack of standards for the digital technologies use; digital trust

infrastructure underdeveloped; interdepartmental interaction problems; data security and confidentiality, protection against cybercrimes, etc.

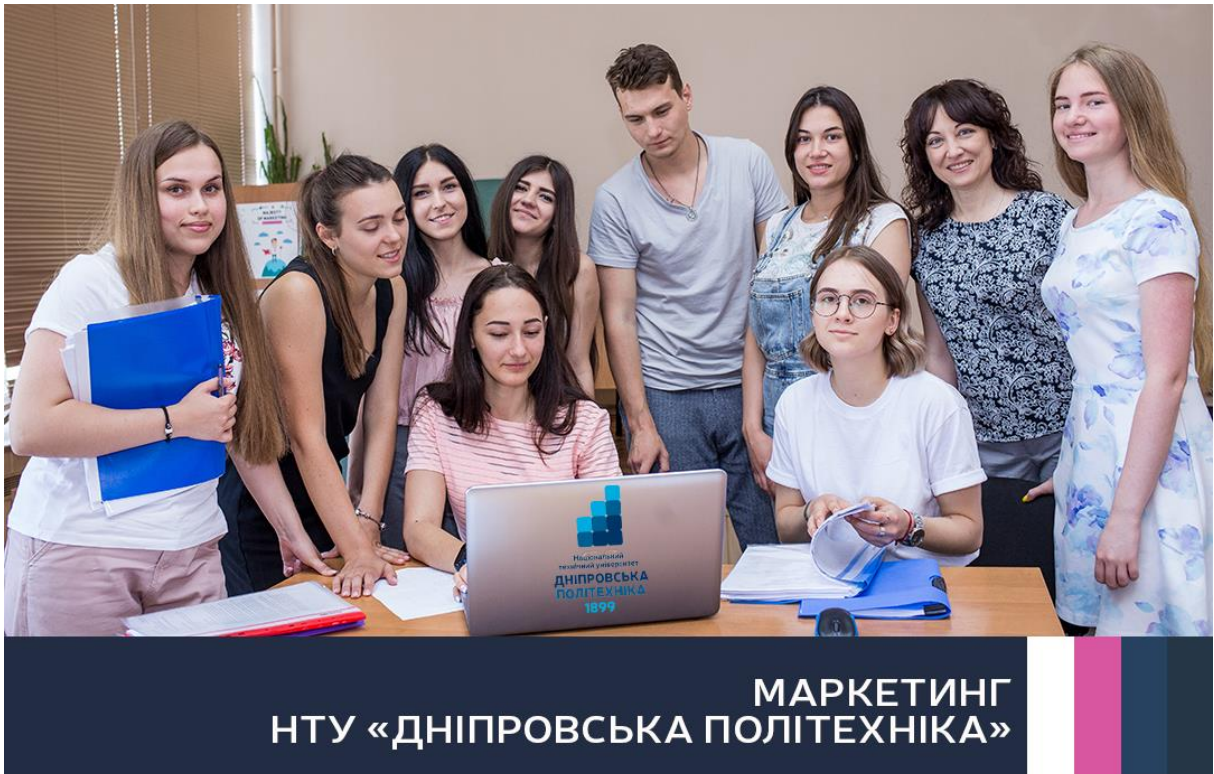
Experts consider resource constraints as internal factors (lack of own funds, investment resources, digital technology projects high cost, high operating costs of digital technologies use systems, low organization innovative potential, lack of opportunities for cooperation with other enterprises and research organizations) and the human factor (lack of specialists who meet the requirements of the digital age, lack of skills in staff implementing and maintaining digital technologies, users technological incompetence, different levels of digital knowledge between different generations, reluctance of employees to change their usual work forms, low digital culture) We believe that digitalization coverage and speed are effected by the markets harmonization, significant investments in the renewal of business infrastructure, as well as innovations that open up unique opportunities for the national economy development and citizens' living standards improving [3-6].

Despite the difficulties and challenges, business digitalization is inevitable process that changes traditional business models and production chains and leads to new products and innovations formation. It brings the production sphere to new level, forces enterprises to make digital transformation as the main task of development strategy [7, p. 288].

Thus, digitalization is enterprise's digital transformation activator, which consists of the modern technologies implementation in all business processes and is associated with fundamental changes in approaches to management, corporate culture, external communications, etc. Digitalization creates new opportunities for business structures operating in the online environment, increases their competitive and innovative potential by productivity increasing through rapid scaling and digital transformation of their activities, which leads to general change of economic entities economic behavior at the consumer market.

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**ГАРЯЧА ЛІНІЯ:**  
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Centre of Marketing Technologies of the Dnipro University of Technology

Dnipro University of Technology

49005 Dnipro, av. Dmytra Yavornytskoho, 19